

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : **CRIMINAL NO.** _____
v. : **DATE FILED** _____
JACOB VARGHESE : **VIOLATIONS:**
: **26 U.S.C. § 7206(2) (aiding and abetting**
: **the preparation of materially false**
: **returns - 22 counts)**

INDICTMENT

COUNTS ONE THROUGH TWENTY-TWO

THE GRAND JURY CHARGES THAT:

Introduction

1. At all times relevant to this Indictment:

a. Defendant JACOB VARGHESE (d/b/a “J&A Associates”) owned and operated a public accounting firm located at 8906 Brouse Avenue in the City of Philadelphia, Pennsylvania.

b. The Internal Revenue Service (“IRS”) was an administrative agency within the United States Department of Treasury. As such, the IRS was charged with the responsibility of ascertaining, assessing and collecting, among other type of taxes, federal income taxes.

c. In computing their tax liability, or in determining whether or not they were entitled to receive a refund based on an overpayment of taxes, the IRS Tax Code offered taxpayers the option reducing the gross income realized by the taxpayers with a “standard deduction,” or specifically deducting certain expenses that the filers incurred during a tax year in determining the taxpayers’ taxable income. The latter option was known as “itemized deductions.”

d. Deductions for which taxpayers could claim as itemized deductions included, among other things, mortgage interest payments, real estate taxes, charitable contributions and, to some extent, medical and unreimbursed employee business expenses.

e. The IRS Code also prescribed rules, regulations and procedures for determining entitlement, and the amount of the deduction, for each itemized expense deductions.

2. On or about the dates listed below, in the Eastern District of Pennsylvania, defendant

JACOB VARGHESE

willfully aided and assisted in, and produced, counseled, and advised the preparation and presentation to the Internal Revenue, of U.S. Individual Income Tax Returns, Forms 1040, either individual or joint, for the taxpayers and calender years listed below. The returns were false and fraudulent as to material matters, in that they represented that the taxpayers were entitled, under the provisions of the Internal Revenue Laws, to claim deductions for items and in amounts hereinafter specified, whereas, the defendant then and there knew, the taxpayers were not entitled to claim deductions in the claimed amounts.

3. The allegations in paragraph 2 are incorporated in Counts 1 through 22, inclusive, are incorporated here:

Count	Date of Offense	Taxpayer	Calendar Tax Year	Falsely Claimed Item	Amount Claimed
1	3/25/06	A.D. (Individual Return)	2005	Charitable Contribution; Attorney's Fees; and Unreimbursed Employees Expenses.	\$ 4,485; \$ 1,500; and \$ 12, 825.
2	2/24/07	A.D. (Individual Return)	2006	Charitable Contribution; Attorney's Fees; and Unreimbursed Employee Expense.	\$ 4,745; \$ 1,500; and \$ 13,040.
3	1/21/08	A.D. (Individual Return)	2007	Charitable Contribution; Attorney's Fees; and Unreimbursed Employee Expense.	\$ 4,800; \$ 2,500; and \$ 11,830.
4	2/24/06	R.P. & S.S. (Joint Return)	2005	Charitable Contribution; Unreimbursed Employee Expense	\$ 3,520; and \$ 5,105.
5	2/20/07	R.P. & S.S. (Joint Return)	2006	Charitable Contribution; Attorney's Fees; and Unreimbursed Employee Expense.	\$ 3,575; \$ 1,500; and \$ 4,752.
6	3/17/08	R.P. & S.S. (Joint Return)	2007	Charitable Contribution; Attorney's Fee; and Unreimbursed Employee Expense.	\$ 2,850; \$ 750; and \$ 2,557.

7	7/14/08	G.G. & M. G. (Joint Return)	2006	Charitable Contribution; and Unreimbursed Employee Expense	\$ 5,250; and \$ 7,117.
8	5/2/06	V.O. & S.O. (Joint Return)	2005	Charitable Contribution; Attorney's Fees; and Unreimbursed Employee Expense	\$ 5,500; \$ 1,050; and \$ 5,438.
9	4/8/06	K.J. & S.J. (Joint Return)	2005	Charitable Contribution; Attorney's Fees; and Unreimbursed Employee Expense	\$ 8,740; \$ 1,550; and \$ 10, 390.
10	4/17/07	K.J. & S.J. (Joint Return)	2006	Charitable Contribution; Attorney's Fees; and Unreimbursed Employee Expense	\$ 3,850; \$ 1,750; and \$ 6,175.
11	4/2/06	C.C. & A.C. (Joint Return)	2005	Charitable Contribution; and Unreimbursed Employee Expense	\$ 3,550; and \$ 1,385.
12	4/4/07	C.C. & A.C. (Joint Return)	2006	Charitable Contribution; and Unreimbursed Employee Expense	\$ 3,580; and \$ 6,473.
13	2/25/06	O.A. & A.A. (Joint Return)	2005	Charitable Contribution; Unreimbursed Employee Expense	\$ 7,791; and \$ 5,953.

14	3/10/07	O.A. & A.A. (Joint Return)	2006	Charitable Contribution; Unreimbursed Employee Expense	\$ 14,500; and \$ 6,274.
15	3/16/08	O.A. & A.A. (Joint Return)	2007	Charitable Contribution; Unreimbursed Employee Expense	\$ 8,075; and \$ 2,810.
16	4/4/06	K.C. & G.B. (Joint Return)	2005	Charitable Contribution; Attorney's Fees; and Unreimbursed Employee Expense	\$ 4,250; \$ 1,250; and \$ 6,980.
17	4/10/07	K.C. & G.B. (Joint Return)	2006	Charitable Contribution; Attorney's Fees; and Unreimbursed Employee Expense.	\$ 4,350; \$ 1,850; and \$ 8,402.
18	4/3/06	S & S C (Joint Return)	2005	Charitable Contribution and Unreimbursed Employee Expense.	\$ 14,850; and \$ 6,572.
19	4/12/07	S & S (Joint Return)	2006	Charitable Contribution; and Unreimbursed Employee Expense	\$ 16,200; and \$ 6,117.
20	4/9/07	G & P (Joint Return)	2006	Charitable Contribution; Attorney's Fee; and Unreimbursed Employee Expense	\$3,900; \$ 1,500; and \$ 6,470.

21	2/2/06	J&R (Joint Return)	2005	Charitable Contribution; Attorney's fees (listed on return, but no amount claimed); Unreimbursed Employee expense	\$ 4,850; \$ -0-; and \$ 15,633.
22	3/10/07	J&R (Joint Return)		Charitable Contribution; Attorney's Fee; and Unreimbursed Employee Expense	\$ 5,490; \$ 1, 850; and \$ 8,325.

All in violation of Title 26, United States Code, Section 7206(2).

A TRUE BILL:

GRAND JURY FOREPERSON

MICHAEL L. LEVY
UNITED STATES ATTORNEY